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## BOOK REVIEWS.

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A TREATISE ON THE LAW OF CORPORATIONS HAVING A CAPITAL STOCK. By William W. Cook, of the New York Bar. Seventh Edition. Boston: Little, Brown, and Company. 1913. Five volumes, pp. cxix, 4984.

Nothing that I can say can add to or detract from the just popularity of this work. For downright usefulness in the lawyer's office this work from the first edition to this seventh one has been and will continue to be almost indispensable. It has been in the various editions equally useful to me in my work as a teacher of the subject of which it treats, throughout the past 19 years. I can recall no legal treatise that I have consulted so often, and with such uniformly satisfactory results, through so long a period, as this work. The text is remarkably concise and lucid, but makes up only a comparatively small part of the great mass of material in these five big volumes,—perhaps not more than one fourth of all. The great bulk of the work is made up of Mr. COOK's own abstracts of the cases given in the notes. The great quality of these abstracts is that they hit the point for which they are cited,—and they hit it in the way an investigator wants it hit,—squarely and accurately. To the notes in no other text have I gone with more confidence, and obtained greater satisfaction. The work is not and is not meant to be, a treatise on or a discussion of the principles of Corporation law, as MORAWETZ, TAYLOR or MACHEN, but is a statement in the most readily available form of what the courts have decided. Or as stated in the preface to the third edition, and so admirably carried out, it is "A statement of general principles in the text and an exhaustive analysis of the cases in the notes." The work has developed from the original subject, "Stock and Stockholders," of the first edition, into one covering the whole of Corporation law. For this reason, perhaps one might criticise the classification, or order of treatment, as not being the most logical possible, as for instance not so good as TAYLOR's, yet as a practical classification of the material in such a way as to be easily accessible for immediate use it has been eminently successful. "The divisions, chapter subjects, and section headings are so made as to find without delay, the point of law in which one may be interested. They have been built up from study of the cases themselves."

The qualities of this work are undoubtedly due in considerable degree to the author's close touch with the things of which he writes, arising from his long and eminent career as a practitioner in this field of the law,—and nearly everything he says comes as if it was the furnished armor or weapon of battle prepared for immediate use in the legal arena.

This seventh edition differs from the sixth edition mainly in the development of the law relating to: State regulation; Interstate Commerce Commission regulation; Anti-trust acts; Ultra Vires; Frauds on Stockholders; Holding Companies; Railroad consolidation; Reorganizations; Powers of Corporate officers; Stockholders suits; Organization of unincorporated associations as express trusts; Foreign corporations; and Liabilities of quasi

public corporations; also the addition of ninety-one corporation forms, mostly taken from those in actual use, and prepared by the most eminent counsel. Each form also indicates the section in the text treating of the subject-matter, which therefore serves as a most useful annotation of the form.

This edition adds 6000 new citations,—perhaps over 3000 new cases,—making over 60000 citations in this edition from about 32000 cases. In the 4th edition (1898) there were approximately 38000 citations from 19000 cases, while in the first edition (1897) there were about 6000 citations from 3000 cases. From the first to the last editions Mr. Cook has done his own abstracting and analyzing the cases cited in the notes.

The first edition contained four parts, which have been continued throughout all editions. These were: Part I, Issue and Liability on Stock—298 pp. in the 1st Ed., 818 in the 6th., and 860 in this; Part II, Transfer of Stock—147 pp. in the 1st Ed., 336 in the 6th, and 362 in this; Part III, Miscellaneous Incidents of Stock—195 pp. in the first Ed., 705 in the 6th., and 781 in this; Part IV, Stockholders Wrongs and Remedies—106 pp. in the 1st. Ed., 710 in the 6th Ed., under the title, "Frauds Ultra Vires, Intra Vires, Negligent and Irregular Conduct of Directors, Stockholders, Promoters and Agents; with 801 pages in this edition under the same title. In the 3d Ed. (1894) Part V—Bonds, Mortgages, Receivers, Foreclosures and Reorganization, was added to the work then, with 310 pp.; in the 6th Ed. this topic covers 674 pages, and 709 in this. To the 3d Ed. was also added Part IV—Steam Railroads, Street Railways, Telegraphs, Gas, Electric Light, Water Works, and other Quasi-public Corporations, to which was given 117 pages; in the 6th Ed. the same was given 430 pages; and 515 in this. In a general way these figures show the relative growth of these large topics. The third edition also contained Part VII—Abstracts of the Statutory and Constitutional Provisions of the Various States, and the Federal government. This has been left out of subsequent editions.

In a rough way the growth of Corporation law for the last 25 years is indicated by the size of the volumes in the various editions of Mr. Cook's work: 1st Ed. (1887), 787 pages; 2d Ed. (1889), 1066 pp.; 3d Ed. (1894), 2068 pp.; 4th Ed. (1898), 2783 pp.; 5th Ed. (1903), 2970 pp.; 6th Ed. (1908), 4309 pp.; 7th Ed. (1913), 4984 pp. In the preface to the first edition Mr. Cook stated that the remarkable growth of Corporations during the past 25 years (i. e. from about 1862-1887) had then created a body of law "so vast, complicated, and unwieldy," as to require treatment in separate parts. Since then it has become vastly larger and more complicated, but such works as Mr. Cook's have made it possible to keep track of what has been going on.

In fact, reading Mr. Cook's prefaces in the various editions, five years apart, gives a very clear and succinct statement of the broad course of corporation development. When the first edition was prepared the rights, duties and obligations of the stockholders,—the real parties in interest,—had not been worked out, and were perhaps the center of discussion. In the second edition the "Trusts and recent combinations in trade are explained and their legality considered." In the third edition, bonds, mortgages, deeds of trust, foreclosures, receivers, reorganizations, watered stock, and the

peculiarities of public service corporations had become important. In the next five years (4th Ed.) nearly one-fourth of the railroad mileage of the country had passed through receivership in the courts, "watered stock, broken pledges, insolvent preferences, illegal bonds, doubtful mortgages, foreclosures, receiverships, and reorganizations" were the order of the day, and "corporation ruin has created corporation law." In reorganization proceedings, "the powerful majority dictate the plan; the weak are at the mercy of the strong; and in the process millions pass to reorganizers by way of profit." Trusts had taken on "the form of huge corporations," and the relation of New Jersey to these corporations "resembles that between a feudal baron and the burghers of old, who paid for protection." By the 5th Edition the Holding Company had the stage; notwithstanding the anti-trust acts, and the Northern Securities decision. The consolidation of railroads authorized from 1865 to 1873, was insignificant compared with the consolidations (largely unauthorized in 1900. "The laws of trade were stronger than the laws of men. \* \* \* Consolidation is the spirit of the age, moving on resistlessly, regardless of human laws and hostile public sentiment." By the 6th edition there was "deep satisfaction with present management of corporations, and when the wave of socialism rolls high, as it certainly will sooner or later, conservative thought may have to turn to some such plan as is outlined herein [the preface] to avoid the perils of governmental ownership of quasi-public properties." The plan proposed by Mr. Cook was a "Governmental Railroad Holding Company,"—to acquire the stock of all the railroads in the country, with a board of directors made up of the Interstate Commerce Commission and others chosen by stockholders to whom the government should sell the stock—This "is not socialism," nor "governmental ownership," but "private ownership regulated by the Interstate Commerce Commission, protected by the judiciary, and is absolutely practical." In the 7th edition Mr. Cook says: "We are drifting toward government ownership of public utilities," \* \* \* "This is an age of consolidation, natural, irresistible and inevitable. \* \* \* It cannot be stopped any more than the tides." "The railroads are not owned by Wall Street," but "are controlled by Wall Street because Wall Street makes it a business to control things for power and profit, especially the latter." "The question is whether capital shall control the public and its government, or whether democracy shall control the government," \* \* \* "whether men shall be free and capital subject to their control." "History tells what happened when the privileged classes of Rome absorbed the wealth of the Republic." To avoid this, and government ownership, Mr. Cook in his Introduction to this Edition repeats, amplifies, argues more fully, and replies to Mr. ACKWITH's criticism of his plan of a governmental railroad holding company proposed in the preface to the 6th edition. The plan should receive the careful consideration of all who feel the danger. Mr. Cook supports it with great force and acumen,—but not convincing to the present writer. The relief would at best be temporary. The causes of trouble lie deeper, and the forces stirring the hearts and minds of men are elemental and cosmic in character, and no makeshift will satisfy them.

H. L. W.